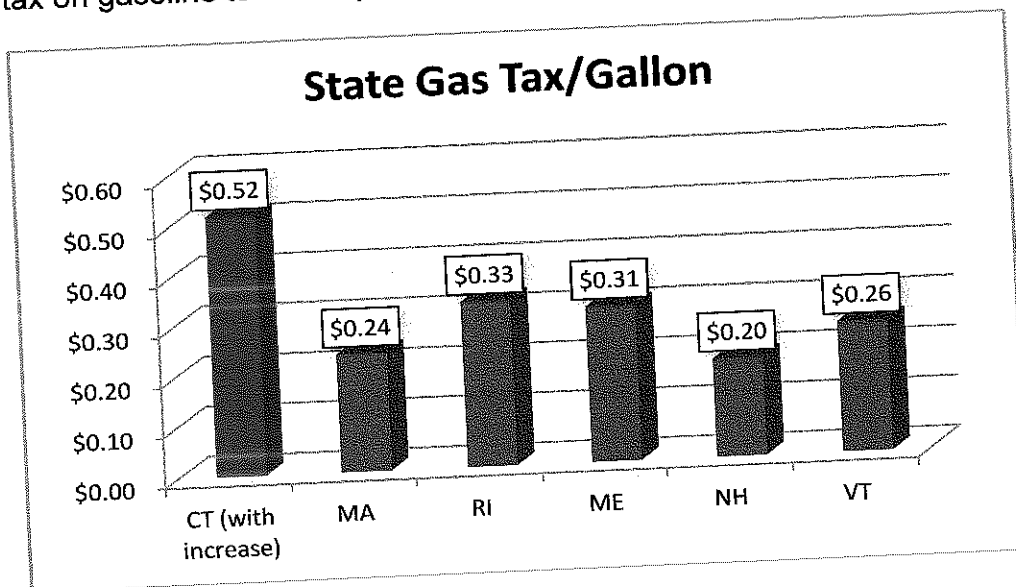


Testimony of Leonard Suzio, 35 Lydale Place, Meriden, CT – (203)-530-1544 March 18, 2013

Bill Number: SB 1095 - AN ACT ELIMINATING THE INCREASE IN THE PETROLEUM PRODUCTS GROSS EARNINGS TAX

I am here to testify in favor of the proposed legislation which will repeal the record-breaking increase in the Petroleum Gross Receipts Tax (PGRT) scheduled to take effect July 1, 2013. If gas prices stay at their current level or move higher Connecticut's gas excise tax and the PGRT will amount to \$0.52/gallon, by far, the highest state gas taxes in all of New England. In fact, Connecticut's combined tax on gasoline is already double that of Massachusetts. I have included a graphic comparison of Connecticut's tax on gasoline to that imposed by our fellow New England states:



If Connecticut was a big oil company many legislators would accuse the state of price gouging. The magnitude of the disparity is truly shocking.

And the impact of Connecticut's gas tax gouging is seen at the pump where oil companies pass along the PGRT to Connecticut families. The Connecticut Energy Marketers Association (CEMA) has produced a table that graphically depicts this:

State	State Excise Tax	Other State Taxes	Federal Tax	Total Taxes Per Gallon	AAA Average Retail Price/Regular Gasoline - 7/25/2012	Retail Price Minus Government Taxes
NY	\$0.0805	\$0.3630	\$0.1840	\$0.6275	\$3.77	\$3.14
CT	\$0.2500	\$0.2185	\$0.1840	\$0.6525	\$3.82	\$3.17
RI	\$0.2900	\$0.0400	\$0.1840	\$0.5140	\$3.65	\$3.14
ME	\$0.2950	\$0.0150	\$0.1840	\$0.4940	\$3.62	\$3.13
MA	\$0.2100	\$0.0250	\$0.1840	\$0.4190	\$3.59	\$3.17
NH	\$0.1700	\$0.0260	\$0.1840	\$0.3800	\$3.53	\$3.15
VT	\$0.2350	\$0.0100	\$0.1840	\$0.4290	\$3.57	\$3.14
NJ	\$0.1050	\$0.0400	\$0.1840	\$0.3290	\$3.49	\$3.16

The table shows effective retail price of gas without the disparate impact of gas taxes imposed by the states. What the table clearly reveals is that the true cost of the gas commodity net of state taxes is within \$0.04/gallon among the 8 northeastern states.

This demonstrates that high gas prices in Connecticut are due to high gas taxes in Connecticut

The higher gasoline prices in Connecticut are not because of price gouging by "Big Oil" but are caused by tax gouging by big government here in Connecticut – and the record-breaking increase in PGRT taxes scheduled to be imposed on July 1 is going to make it even worse for Connecticut families.

But the impact of Connecticut's outrageously high gas taxes is felt not only by Connecticut families. It is felt by Connecticut businesses, particularly gas stations and stores in our border towns that can't compete with cheaper gas right across the border. Last year I had a constituent who delivers tank loads of oil to gas stations tell me about a station in Groton where the volume had fallen by 7,000 gallons per week because of the much cheaper gas in RI. This is the equivalent of about 600 fill ups. He told me that the average gas consumer would spend an extra \$4-\$5 for store purchases. The state lost not only the gas taxes on 7,000 gallons of gas per week, it also lost the sales tax on the lost sales too! – all in just one location.

Connecticut's non-competitive gas taxes drag our economy down and put Connecticut at a severe disadvantage with neighboring states. No economist will argue that point.

So why are we about to magnify the burden and exaggerate the disparity and undermine our weak economic recovery? It makes no sense whatsoever to make a bad situation worse.

That's why it is so important to repeal the scheduled increase in the PGRT and support SB 1095.

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